



United States Department of the Interior

BUREAU OF LAND MANAGEMENT WARM SPRINGS RESOURCE AREA

35 East 500 North
P.O. Box 778
Fillmore, Utah 84631

TAKE
PRIDE IN
AMERICA

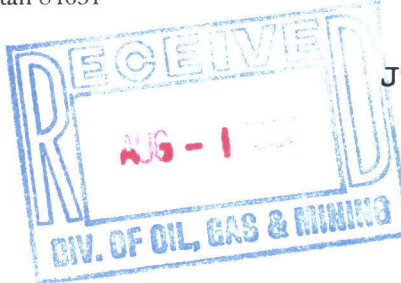
IN REPLY REFER TO:

2800
(U-055)

July 29, 1994

CERTIFIED MAIL #P 837 809 778
RETURN RECEIPT REQUESTED

OLIVER W GUSHEE JR
LAW OFFICES
PRUITT GUSHEE & BACHTELL
SUITE 1850 BENEFICIAL LIFE TOWER
SALT LAKE CITY UT 84111-1495



Dear Mr. Gushee:

This is in response to your letter dated July 15, 1994, concerning the termination of Crystal Peak Minerals Corporation (CPMC) well pump and tank site right-of-way, serial number UTU-58555.

Firstly, the terms and conditions associated with the above referenced right-of-way are monitored and enforced separately and apart from the terms and conditions that are required for acceptance of the relinquishments of leases U-37863 through U-37912, CPMC's Sevier Lake Project, located over Sevier Dry Lake.

The acceptance of the relinquishments of these leases by the Bureau of Land Management (BLM) is contingent on the successful reclamation of CPMC's Sevier Lake Project. As acknowledged in your letter, there still remains an issue of a relative minor act of reclamation that must be resolved. This is the establishment of sustainable vegetation on the Project. The Utah Division of State Lands and Forestry and the Utah Division of Oil Gas and Mining have confirmed, the BLM does not have access to the bonds held by these agencies. Successful reclamation may be dependant on future reseeding(s). Therefore, acceptance of the relinquishments prior to the establishment of sustainable vegetation depends upon providing the BLM with a reclamation bond sufficient to cover the cost of the reseeding(s).

Secondly, the success of reseeding efforts is generally determined from the basis of natural precipitation and not from other water resources.

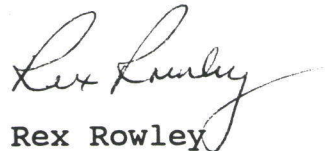
Thirdly, when the well right-of-way, serial number UTU-58555, was initially proposed we received a letter from Larry Sower, CPMC General Manager, dated October 29, 1987, which states that the

ownership of the well will be conveyed to BLM if the project is abandoned. This letter also references the environmental assessment (EA) which documents the same in stipulations 7 and 8 and in mitigating measures under Project Abandonment. It is evident, therefore, that CPMC clearly understood and agreed to the relinquishment upon abandonment of the project.

Lastly, said right-of-way was issued under FLPMA Title V - Rights-of-way and pursuant to 43 CFR 2803.4(b). Since the right-of-way is no longer being used for the purpose for which it was issued it is determined that right-of-way UTU-58555 should be relinquished.

Therefore, our request of CPMC in our letter dated April 8, 1994, still remains and ask that upon receipt of this letter that CPMC contact this office to discuss the relinquishment of their right-of-way UTU-58555 and the conveyance of the ownership of the well to BLM, or said right of way grant may be canceled.

Sincerely,



Rex Rowley
Area Manager

cc: Certified Mail #P 837 809 779
Return Receipt Requested
Larry Sower
General Manager
Crystal Peak Minerals Corporation
P O Box 10
Milford UT 84751

bc: D. Wayne Hedberg, UDOGM
Allen Vance, U-921
Michael Jackson, U-050
Rod Lee, U-050